

RESOLUTION NO. 2000 - 19

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF ELK GROVE
APPROVING LEASE OF
8949 ELK GROVE BOULEVARD

WHEREAS, the City Council is authorized to lease real property;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Elk Grove
as follows:

1. The City of Elk Grove is desirous of leasing temporary sapce for the office of the City.
2. The City has negotiated two short term leases for the real property at 8949 Elk Grove Boulevard, Elk Grove, CA 95624, for City business. Said lease agreements, attached hereto, are hereby approved and the Mayor is hereby authorized to execute them on behalf of the City. Upon execution, the agreement shall be filed with the City Clerk and shall be available for public review in the City offices.

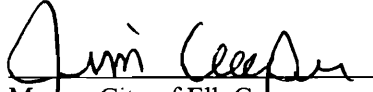
PASSED AND ADOPTED by the City Council of the City of Elk Grove on this 1st day of July, 2000, by the following vote:

AYES: Cooper, Soares, Leary, Scherman, Briggs

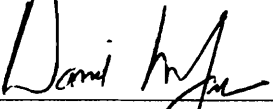
NOES: 0

ABSENT: 0


ABSTAIN: 0


Mayor, City of Elk Grove

ATTEST:


City Clerk, City of Elk Grove

APPROVED AS TO FORM:


City Attorney, City of Elk Grove

SUBLEASE AGREEMENT

BETWEEN

**CITY OF ELK GROVE
("Lessee")**

AND

**AMY BARTHOLOMEW
("Lessor")**

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ADDENDUM NO. 1	CONDITIONAL REQUIREMENT THAT LESSEE OBTAIN APPROPRIATE LIQUOR LICENSE AND LIQUOR LIABILITY INSURANCE
ADDENDUM NO. 2	HAZARDOUS SUBSTANCES
ADDENDUM NO. 3	ADDITIONAL LIMITATIONS ON USE
ADDENDUM NO. 4	LEGAL DESCRIPTION OF PREMISES

AMY BARTHOLOMEW, hereinafter called "Lessor", and the CITY OF ELK GROVE, hereinafter called "Lessee" agree as follows.

BACKGROUND

A. The premises which are described herein are leased by Bartholomew Associates as Lessor to Alvin and Amy Bartholomew as Lessee pursuant to a Lease Agreement dated June 30, 1999. The initial terms of such Lease Agreement expired December 31, 1999, and Amy Bartholomew is presently a month to month tenant. Alvin Bartholomew is recently deceased and Amy Bartholomew is now sole Lessee.

B. The newly established City of Elk Grove desires the use of the premises and Amy Bartholomew is willing to sublet the premises to it through June 30, 2000.

C. Bartholomew Associates, as owner and Lessor under the June 30, 1999 Lease Agreement, is agreeable to consenting to the proposed sublease between Amy Bartholomew and the City of Elk Grove.

D. The following constitutes the sublease between Amy Bartholomew and the City of Elk Grove. As used below "Lessor" refers to Amy Bartholomew and "Lessee" refers to the City of Elk Grove.

1. Description of Premises. The Lessor does demise and sublet unto the Lessee, and the Lessee does lease and take from Lessor, for the term and upon the terms and conditions set forth in this lease, the following described property and its appurtenances situated in the City of Elk Grove, County of Sacramento, State of California, particularly described as follows:

8949 Elk Grove Boulevard (APN 125-0151-033-0000)
and more particularly described in Addendum 4.

hereinafter called the "Premises."

The word "premises," as used throughout this lease, is hereby expressly defined, to include adjacent sidewalks, and sidewalk installations, including any areas between them.

2. Term and Minimum Rent. Lessee subleases the foregoing described premises for a term, commencing the 1st day of May, 2000, and ending the 30th day of June, 2000. Lessee shall pay to Lessor monthly cash rent in the amount of \$1,725.00. Rent for May and June 2000 shall be deferred and be payable July 1, 2000. Rent during any holding over by Lessee shall be payable in advance on the first day of each month.

3. Taxes. Lessor shall pay all real estate taxes and assessments which are levied on the Premises during the term of this Lease.

4. Rent Taxes. Omitted.

5. Additional Rent. The Lessee shall pay as additional rent any money required to be paid pursuant to Paragraph 10, 12, 14, 16, 17, 22, 27, 29, and 34, and all other sums of money or charges required to be paid by Lessee under this Lease or its Addendums, whether or not the same be designated "additional rent." If such amounts or charges are not paid at the time provided in this Lease, they shall nevertheless be due as additional rent with the next installment of rent falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or limit any other remedy of the Lessor.

6. Past Due Rent. Omitted.

7. Insurance. Omitted.

8. Lessee Parking. Omitted.

9. Glass Insurance. Omitted.

10. Lights at Night. Omitted.

11. Use and Limitations on Use.

a. The Leased Premises may be used only for business office purposes.
Related to a City Hall.

b. Lessee shall not use, or permit the Premises, or any part thereof, to be used for any purpose or purposes other than the purpose or purposes for which the Premises are hereby leased; and no use shall be made or permitted to be made of the Premises, nor acts done, which shall increase the existing rate of insurance upon the building in which the Premises are located, or cause a cancellation of any insurance policy covering said building or any part thereof, nor shall Lessee sell, or permit to be kept, used or sold, in or about the Premises, any articles which may be prohibited by the standard form of fire insurance policies. The Lessee shall, at Lessee's sole cost and expense, comply with any and all requirements pertaining to the Premises of any insurance company or organization necessary for the maintenance of reasonable fire and public liability insurance covering said building, premises, and appurtenances. Lessee shall not place any objects or machines, vending or otherwise, on the exterior of the building. Lessee shall not in any way obstruct the use of walkway in the front of the Premises nor the alleyway behind.

c. The Lessor has sole and absolute discretion to give or withhold consent to any activity or use different than that described in Section 11a above notwithstanding any implied standard of reasonableness.

d. Lessee shall comply with all laws and regulations concerning the Premises or Lessee's use of the Premises. Lessee shall notify Lessor of any violations or alleged violations

of any applicable law or regulation within thirty (30) days of the occurrence or alleged occurrence of any violation or alleged violation.

12. **Mechanic's Lien.** Lessee shall pay, when due, all sums of money that may become due or purportedly due for any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for Lessee in, at, upon or about the Premises and which may be secured by any mechanic's, materialmen's or other lien against the Premises or Lessor's interest in the Premises, and Lessee shall cause each such lien to be fully discharged and released at the time performance of the obligation secured matures or becomes due. Lessor shall have the right to post and maintain on the Premises such notices of nonresponsibility as are provided for under the Mechanic's Lien law of the State of California.

13. **Waiver of Liability.** Lessee, as a material part of the consideration to be rendered to Lessor hereunder, hereby waives all claims against Lessor for damages to or loss or destruction of any improvements now or hereafter located on the Premises, any property in, upon or about the Premises or the adjoining sidewalks, streets, driveways or alleys, and for injuries to or the death of any persons in or about said demised premises or the adjoining sidewalks, streets, driveways, or alleys, from any cause arising at any time, except to the extent due to the negligence, intentional acts or intentional omissions of the Lessor, its employees, agents or representatives. Nothing in this section shall serve to release Lessor, or waive any claim by Lessee, related to a breach by Lessor of this Lease.

14. **Costs of Suit.** In the event that suit shall be brought for unlawful detainer of the Premises, for the recovery of any rent due under the provisions of this Lease, or because of breach on the part of the Lessee of any other covenant herein contained, the Lessee shall pay to the Lessor reasonable attorney fees.

15. **Maintenance by Lessor.** Lessor covenants to maintain or cause to be maintained in good order (i) the foundation and the structural soundness of the floor and walls of the Premises; (ii) the roof; (iii) all electrical and mechanical systems of the Premises, including HVAC, plumbing, fire safety, security and other systems (the "Premises Systems"); and (iv) the exterior of the Premises, including parking areas, exclusive of any work required because of damage caused by any act, omission or negligence of Lessee, any concessionaire or their respective employees, agents, invitees, licenses or contractors. Lessee hereby expressly waives any right or privilege under statute to require that repairs be made by Lessor, or at the expense of Lessor, except as may be specifically provided to the contrary under this Lease.

16. **Maintenance by Lessee.** Lessee shall at all times keep the entire Premises clean and in good order. Lessee shall maintain all of Lessee's tenant improvements, alterations, trade fixtures and equipment.

17. **Alterations and Repairs; Damages to Premises.** Lessee agrees that no alteration, repair or change whatever, shall be made in or about the Premises without the prior written consent of the Lessor, including without limitation making any alteration to the roof including the attachment or placement of any antenna, satellite dishes, signs, vents, machinery, equipment, or other improvements. If Lessor's consent is granted, such alteration, addition or improvement

(except trade fixtures, equipment and signs) shall be removed, at Lessor's discretion, at the expiration or earlier termination of this Lease. If Lessor does not require such removal, any and all said improvements, alterations or additions shall immediately become the property of Lessor upon the expiration or termination of this Lease.

18. Signs and Sidewalk Installations. Lessee shall not construct or maintain, or permit to be constructed or maintained, any sign or billboard on the roof of the building or outside wall located on the Premises, nor paint, nor hang, nor permit or authorize others to paint or hang, any sign on the outside walls thereof, unless written permission to do so is first obtained from the Lessor.

19. Default and Re-entry. If any default shall be made by Lessee in the payment punctually when due of any rent or other moneys due hereunder Lessor shall have the right to pursue any remedy now or hereafter available to Lessor under the laws or judicial decisions of the State of California.

20. Removal of Property. Omitted.

21. Remedies of Lessor. Omitted.

22. Assignment and Subletting.

a. Lessee shall not, and shall not have the power to, assign or mortgage this Lease or sublet any part or the whole of the Premises by operation of law or otherwise, without the prior written consent of Lessor in each instance, which consent Lessor may grant or withhold in its sole and absolute discretion.

23. Heirs and Representatives Included. It is understood and agreed between the parties hereto that the covenants, conditions and agreements in this Lease shall be binding upon the parties hereto and upon their respective heirs, legatees, legal representatives, successors and assigns, except as hereinbefore otherwise expressly provided.

24. Uses Prohibited, Municipal Requirements. The Lessee shall, at Lessee's sole cost and expense, comply with all of the requirements of all county, municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the use of the Premises. The judgment of any court of competent jurisdiction, or the admission of Lessee in any action or proceeding against the Lessee, whether the Lessor be a party thereto or not, that the Lessee has violated any such ordinance or statute in the use of the Premises, shall be conclusive of that fact as between the Lessor and the Lessee. Lessee shall not engage in or permit upon the Premises any public nuisance or unlawful conduct. The commencement or pendency in any state or federal court of any abatement proceedings affecting the use of the Premises shall, at the option of the Lessor, be deemed to be a breach of this Lease.

25. Liability for Damage by Fire. Lessor shall not be liable to Lessee for any loss or damage occurring to the Premises or any property therein situated or thereto attached by reason of any fire, or any damage defined under the extended coverage clauses of insurance, no matter

how caused, nor shall any insurer of Lessee have any right of action by reason of any fire or other damage to the property referred to in this paragraph, and Lessee hereby releases Lessor from all claims for any such liability, loss or damage, except to the extent due to the negligence or intentional acts or intentional omissions of the Lessor.

26. Insurance, Lessor to be Held Harmless. Lessee, as a material part of the consideration to be rendered to the Lessor, shall hold the Lessor exempt and harmless from any claim for damage by reason of injury to any person or property (including but not limited to waste disposal and contamination), while upon or in any way connected with the Premises used by the customers and invitees of the Lessee except due to the negligence or intentional act of Lessor, its employees, agents or representatives.

27. Utilities. Lessee shall be solely responsible for and promptly pay all charges in excess of \$100 per month for heat, water, gas, electricity, sewer, telephone or any other utility used or consumed in or a part of Premises. In the event such charges in excess of \$100 per month shall not be paid when due, Lessor shall have the right but shall have no obligation to pay same, which amount so paid is hereby declared to be additional rent and shall be due and payable with the next installment of rent hereunder.

28. Inspection by Lessor. Lessee shall permit Lessor and Lessor's agents to enter the Premises at all reasonable times to inspect the same or to maintain the building in which the Premises are situated, or to make repairs, alterations or additions to any other portion of said building, or to post notices of non-liability for alterations, additions or repairs without any rebate of any rent for any loss of occupation or quiet enjoyment of the Premises thereby occasioned.

29. Fire Insurance. Omitted.

30. Damage or Destruction. If the Premises shall be partially or totally damaged or destroyed by a casualty Lessor or Lessee may terminate this sublease.

31. Damages. Omitted.

32. Subordination. This Lease shall be subject and subordinate at all times to the lien of any mortgage or mortgages or trust deed or deeds which may now exist upon or which may be placed upon the Premises or the property of which the Premises are a part and the Lessee covenants that it shall execute and deliver to the Lessor or to the nominee of the Lessor proper subordination agreements to this effect at any time upon the request of the Lessor and without payment being made therefor.

33. Non-Waiver of Breach. The failure or omission of said Lessor to terminate this Lease, for any violation of any of its terms, conditions or covenants shall in no way be deemed to be a consent by the Lessor to such violation, and shall in no way bar, stop or prevent said Lessor from termination of this Lease thereafter, either for such or for any subsequent violation of any such term, condition or covenant. The acceptance of rent shall not be construed to be a waiver of any breach of any term, covenant or condition of this Lease.

34. Personal Taxes, Assessments, Etc. Lessee shall pay, if applicable, before delinquency any and all taxes, assessments, license fees and public charges levied, assessed or imposed and which become payable during the lease term upon Lessee's fixtures, furniture, equipment, appliances and personal property installed located in the Premises.

35. Condemnation. Omitted

36. Surrender of Premises. Any improvements built, constructed or placed upon the Premises by Lessee, other than movable trade fixtures, shall remain on the Premises and become the absolute property of Lessor without any cost to Lessor upon the termination of this Lease, whether by lapse of time or by forfeiture by reason of default, unless said improvements are to be removed by Lessee as set forth in Paragraph 17 above. Upon the end of the term of this Lease or sooner termination of this Lease, Lessee shall surrender to Lessor the Premises, together with all improvements as hereinabove provided, in the same condition as when received, reasonable wear and use thereof excepted.

37. Rental Payments. The rental hereby reserved shall be paid to Amy Bartholomew, in care of Post Office Box 963, Elk Grove, California 95759, or at such other address as she may designate from time to time by written notice to Lessee.

38. Law for Construction. This Lease and all the terms and conditions thereof shall be construed according to the laws of the State of California.

39. Trash Management Requirements. Omitted.

40. Effect of Lessor's Conveyance. If, during the term of this Lease, Lessor shall sell its interest in the building in which the Premises are located, then from and after the effective date of the sale, Lessor shall be released and discharged from any and all obligations and responsibilities under this Lease except those already accrued, to the fullest extent permitted by law.

41. Conditional Limitations. Each term and each provision of this Lease performable by Lessee shall be construed to be both a covenant and a condition.

42. Miscellaneous.

a. Whenever the singular number is used in this Lease and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and the work "person" shall include corporation, partnership, trust, firm or association.

b. The marginal headings or titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part of this Lease.

c. Time is of the essence of each term and provision of this lease.

43. **Security.** It is further covenanted and agreed by said Lessee that nothing herein contained and no security or guarantee which may now or hereafter be furnished said Lessor for the payment of the rent herein reserved or for the performance by said Lessee of the other terms or covenants of this lease, shall in any way be a bar or defense to any actions in unlawful detainer, or for the recovery of said Premises, or in any action which said Lessor may at any time commence for breach of any of the terms or covenants of this Lease.

44. **Service of Notice.** The service of any and all notices of any nature and description given by said Lessor, when given to said Lessee in the manner now prescribed by the provisions of Section 1162 of the Code of Civil Procedure of the State of California, or else when mailed to said Lessee addressed to said Lessee to the Premises, shall be deemed to be and constitute full and complete notice to said Lessee and shall constitute full compliance with any of the provisions of this Lease or of the law of the State of California requiring personal service of notice upon said Lessee and shall constitute notice to said Lessee for any purpose whatsoever.

45. **Breach of Conditions.** Each and every covenant and term hereof to be kept and performed by the Lessee is expressly made a condition, upon breach whereof said Lessor may terminate this Lease and exercise all rights of entry and re-entry upon the Premises as provided in Paragraph 19 above.

46. **Attornment.** Lessee shall, in the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by the Lessor covering the Premises, and at the option of the purchaser, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Lessor under this Lease.

47. **Certificates.** Lessee shall, upon not less than twenty (20) days' written notice from Lessor, execute promptly such instruments or certificates to carry out the intent of Paragraphs 32 and 46 above. In addition, Lessee shall, at any time upon not less than twenty (20) days' prior written notice from Lessor, execute, acknowledge and deliver to Lessor a statement in writing (i) certifying that this Lease is unmodified and in full force and effect, or if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect, (ii) certifying the dates to which the rent and other charges have been paid, (iii) acknowledging that there are not to the Lessee's knowledge, any uncured defaults on the part of the Lessor hereunder, or any offsets or damages claimed against Lessor or specifying such defaults, damages or offsets if any are claimed, and (iv) that Lessee has accepted the Premises. Any such statement may be conclusively relied upon by any prospective purchaser, assignee, sublessee, or encumbrancer of the interest of either Lessor or Lessee in and to the Premises. Lessee's failure to timely execute and deliver the statement shall be deemed to make conclusive that the statements set forth above and the dates and rent information supplied by Lessor are true and correct without exception.

48. **Venue.** Any action to enforce any rights of a party under this Lease or connected in any way with this Lease or for declaratory relief under this Lease shall be brought in Sacramento County, California.

49 Holding Over. Omitted.

50 Commissions. Lessee shall pay and hold Lessor harmless from any real estate broker's fee or commission or similar charge for real estate services in connection with entering into this Lease. Lessor has made no agreement with any real estate broker to pay any such fee or commission in connection with this Lease.

51 Joint and Several Liability. Each of the persons comprising Lessee shall be jointly and severally liable under this Lease.

52 Modifications. This instrument contains all the agreements and conditions made between the parties to this Lease and may not be modified orally or in any manner other than by an agreement in writing signed by all parties to this Lease or their respective successors in interest.

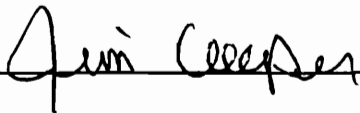
ADDITIONAL PROVISIONS ARE SET FORTH IN ADDENDA 1 THROUGH 4 ATTACHED HERETO.

Dated: May 1, 2000

SUBLESSEE:

SUBLESSOR:

CITY OF ELK GROVE

By: 

By: 
Amy Bartholomew



Bartholomew Associates, owner of the premises described herein, consent to the above sublease.

BARTHOLOMEW ASSOCIATES

By: 
Wayne A. Bartholomew
General Partner

ADDENDUM NO. 1

HAZARDOUS SUBSTANCES

a The term "Hazardous Substances," as used in this Lease, shall include, without limitation, flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls ("PCBs"), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any federal, state or local governmental authority.

b Lessee shall not cause or permit to occur:

(1) Any violation of any federal, state, or local law, ordinance, or regulation now or hereafter enacted, related to environmental conditions on, under or about the Premises, or arising from Lessee's use or occupancy of the Premises, including, but not limited to, soil and ground water conditions; or

(2) The use, generation, release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substance on, under or about the Premises, or the transportation to or from the Premises of any Hazardous Substance, except for those Hazardous Substances that may be generally found in the equipment, fixtures, supplies, machinery or furniture incident to the permitted uses and operations of Lessee, in quantities generally associated with such business.

c Lessee shall, at Lessee's own expense, comply with all laws regulating the use, generation, storage, transportation, or disposal of Hazardous Substances ("Laws").

Lessee shall, at Lessee's own expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities (the "Authorities") under the Laws.

Should any Authority or any third party demand that a cleanup plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge or other release of Hazardous Substances that occurs during the term of this Lease, at or from the Premises, or which arises at any time from Lessee's use or occupancy of the Premises, then Lessee shall, at Lessee's own expense, prepare and submit the required plans and all related bonds and other financial assurances; and Lessee shall carry out all such cleanup plans.

Lessee shall immediately notify Lessor of the presence of any Hazardous Substance on or about the Premises known to Lessee (except those excluded in Paragraph b(2) above) and of any spills, discharges or other releases of such Hazardous Substances which are in violation of any Federal, State or local law. Lessee shall promptly submit to Lessor copies of all correspondence, plans, notices and other documents relating to the cleanup and remediation of Hazardous Substances on the Premises.

Lessee shall promptly provide all information regarding the use, generation, storage, transportation, or disposal of Hazardous Substances that is requested by Lessor. If Lessee fails to fulfill any duty imposed under this Paragraph within a reasonable time, Lessor may do so; and in such case, Lessee shall cooperate with Lessor in order to prepare all documents Lessor deems necessary or appropriate to determine the applicability of the Laws to the Premises and Lessee's use thereof and for compliance therewith, and Lessee shall execute all documents promptly upon Lessor's request. No such action by Lessor and no attempt made by Lessor to mitigate damages under any Law shall constitute a waiver of any of Lessee's obligations under this Paragraph c.

Lessee's obligations and liabilities under this Paragraph c shall survive the termination of this Lease.

d Lessee shall indemnify, defend, and hold harmless Lessor, the manager of the property, and their respective officers, directors, beneficiaries, shareholders, partners, agents and employees from all fines, suits, procedures, claims, and actions of every kind, and all costs associated therewith (including attorney fees, consultant fees and administrative procedural costs) arising out of or in any way connected with (i) any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the term of this Lease, at or from the Premises, or which arises at any time from Lessee's use or occupancy of the Premises, or from Lessee's failure to provide all information, make all submissions, and take all steps required by all Authorities under the Laws and all other environmental laws or (ii) the cost of any required or necessary investigation, remediation, removal, repair, cleanup or detoxification and the preparation of required plans as a result of the presence or use, generation, storage, release, threatened release or disposal of Hazardous Substances by Lessee during the term of this Lease at or from the Premises or which arises at any time from Lessee's use or occupancy of the Premises, including costs by a federal, state or local government agency related to a facility or site to which materials attributable to or connected with the Premises are removed to, disposed of, treated or stored.

Lessee's obligations and liabilities under this Paragraph d shall survive the termination of this Lease.

e. Other than as disclosed in this Lease, to the best of Lessor's knowledge, there are no Hazardous Substances on, under or about the Premises. Lessee shall not be liable to Lessor for any Hazardous Substances, or conditions caused by Hazardous Substances, which existed prior to the commencement of this Lease, or which were caused by acts or omissions prior to the commencement of this Lease, for all of which the Lessor shall hold harmless, indemnify and defend the Lessee. *AS*

LEASE AGREEMENT

BETWEEN

CITY OF ELK GROVE
("Lessee")

AND

BARTHOLOMEW ASSOCIATES
("Lessor")

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ADDENDUM NO. 1	CONDITIONAL REQUIREMENT THAT LESSEE OBTAIN APPROPRIATE LIQUOR LICENSE AND LIQUOR LIABILITY INSURANCE
ADDENDUM NO. 2	HAZARDOUS SUBSTANCES
ADDENDUM NO. 3	ADDITIONAL LIMITATIONS ON USE
ADDENDUM NO. 4	LEGAL DESCRIPTION OF PREMISES

BARTHOLOMEW ASSOCIATES, hereinafter called "Lessor", and the CITY OF ELK GROVE, hereinafter called "Lessee" agree as follows.

BACKGROUND

A. The premises which are described herein are owned by Lessor. Lessee has had possession and use or the right of possession and use of such premises since May 1, 2000, pursuant to a "Sublease Agreement" between Lessee and Amy Bartholomew, who through June 30, 2000, is and will be the prime tenant of the premises under that certain "Lease Agreement" dated June 30, 1999, and made between Bartholomew as Lessor and Amy Bartholomew as Lessee. Bartholomew Associates has previously consented to the Sublease Agreement.

B. The newly established City of Elk Grove desires the use of the premises and Bartholomew Associates is willing to lease the premises to it commencing July 1, 2000 through September 30, 2000.

C. The following constitutes the lease between Bartholomew Associates and the City of Elk Grove. As used below "Lessor" refers to Bartholomew Associates and "Lessee" refers to the City of Elk Grove.

1. Description of Premises. The Lessor does demise and sublet unto the Lessee, and the Lessee does lease and take from Lessor, for the term and upon the terms and conditions set forth in this lease, the following described property and its appurtenances situated in the City of Elk Grove, County of Sacramento, State of California, particularly described as follows:

8949 Elk Grove Boulevard (APN 125-0151-033-0000)
and more particularly described in Addendum 4.

hereinafter called the "Premises."

The word "premises," as used throughout this lease, is hereby expressly defined, to include adjacent sidewalks, and sidewalk installations, including any areas between them.

2. Term and Minimum Rent. Lessee subleases the foregoing described premises for a term, commencing the 1st day of July, 2000, and ending the 30th day of September, 2000. Lessee shall pay to Lessor monthly cash rent in the amount of \$1,725.00. Rent shall be payable in advance July 1, 2000, August 1, 2000, and September 1, 2000. Rent during any holding over by Lessee shall be payable in advance on the first day of each month.

3. Taxes. Lessor shall pay all real estate taxes and assessments which are levied on the Premises during the term of this Lease.

4. Rent Taxes. Omitted.

5. Additional Rent. The Lessee shall pay as additional rent any money required to be paid pursuant to Paragraph 10, 12, 14, 16, 17, 22, 27, 29, and 34, and all other sums of money or charges required to be paid by Lessee under this Lease or its Addendums, whether or not the same be designated "additional rent." If such amounts or charges are not paid at the time provided in this Lease, they shall nevertheless be due as additional rent with the next installment of rent falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charge at the time the same becomes due and payable hereunder, or limit any other remedy of the Lessor.

6. Past Due Rent. Omitted.

7. Insurance. Omitted.

8. Lessee Parking. Omitted.

9. Glass Insurance. Omitted.

10. Lights at Night. Omitted.

11. Use and Limitations on Use.

a. The Leased Premises may be used only for business office purposes.
Related to a City Hall.

b. Lessee shall not use, or permit the Premises, or any part thereof, to be used for any purpose or purposes other than the purpose or purposes for which the Premises are hereby leased; and no use shall be made or permitted to be made of the Premises, nor acts done, which shall increase the existing rate of insurance upon the building in which the Premises are located, or cause a cancellation of any insurance policy covering said building or any part thereof, nor shall Lessee sell, or permit to be kept, used or sold, in or about the Premises, any articles which may be prohibited by the standard form of fire insurance policies. The Lessee shall, at Lessee's sole cost and expense, comply with any and all requirements pertaining to the Premises of any insurance company or organization necessary for the maintenance of reasonable fire and public liability insurance covering said building, premises, and appurtenances. Lessee shall not place any objects or machines, vending or otherwise, on the exterior of the building. Lessee shall not in any way obstruct the use of walkway in the front of the Premises nor the alleyway behind.

c. The Lessor has sole and absolute discretion to give or withhold consent to any activity or use different than that described in Section 11a above notwithstanding any implied standard of reasonableness.

d. Lessee shall comply with all laws and regulations concerning the Premises or Lessee's use of the Premises. Lessee shall notify Lessor of any violations or alleged violations

of any applicable law or regulation within thirty (30) days of the occurrence or alleged occurrence of any violation or alleged violation.

12. **Mechanic's Lien.** Lessee shall pay, when due, all sums of money that may become due or purportedly due for any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for Lessee in, at, upon or about the Premises and which may be secured by any mechanic's, materialmen's or other lien against the Premises or Lessor's interest in the Premises, and Lessee shall cause each such lien to be fully discharged and released at the time performance of the obligation secured matures or becomes due. Lessor shall have the right to post and maintain on the Premises such notices of nonresponsibility as are provided for under the Mechanic's Lien law of the State of California.

13. **Waiver of Liability.** Lessee, as a material part of the consideration to be rendered to Lessor hereunder, hereby waives all claims against Lessor for damages to or loss or destruction of any improvements now or hereafter located on the Premises, any property in, upon or about the Premises or the adjoining sidewalks, streets, driveways or alleys, and for injuries to or the death of any persons in or about said demised premises or the adjoining sidewalks, streets, driveways, or alleys, from any cause arising at any time, except to the extent due to the negligence, intentional acts or intentional omissions of the Lessor, its employees, agents or representatives. Nothing in this section shall serve to release Lessor, or waive any claim by Lessee, related to a breach by Lessor of this Lease.

14. **Costs of Suit.** In the event that suit shall be brought for unlawful detainer of the Premises, for the recovery of any rent due under the provisions of this Lease, or because of breach on the part of the Lessee of any other covenant herein contained, the Lessee shall pay to the Lessor reasonable attorney fees.

15. **Maintenance by Lessor.** Lessor covenants to maintain or cause to be maintained in good order (i) the foundation and the structural soundness of the floor and walls of the Premises; (ii) the roof; (iii) all electrical and mechanical systems of the Premises, including HVAC, plumbing, fire safety, security and other systems (the "Premises Systems"); and (iv) the exterior of the Premises, including parking areas, exclusive of any work required because of damage caused by any act, omission or negligence of Lessee, any concessionaire or their respective employees, agents, invitees, licenses or contractors. Lessee hereby expressly waives any right or privilege under statute to require that repairs be made by Lessor, or at the expense of Lessor, except as may be specifically provided to the contrary under this Lease.

16. **Maintenance by Lessee.** Lessee shall at all times keep the entire Premises clean and in good order. Lessee shall maintain all of Lessee's tenant improvements, alterations, trade fixtures and equipment.

17. **Alterations and Repairs; Damages to Premises.** Lessee agrees that no alteration, repair or change whatever, shall be made in or about the Premises without the prior written consent of the Lessor, including without limitation making any alteration to the roof including the attachment or placement of any antenna, satellite dishes, signs, vents, machinery, equipment, or other improvements. If Lessor's consent is granted, such alteration, addition or improvement

(except trade fixtures, equipment and signs) shall be removed, at Lessor's discretion, at the expiration or earlier termination of this Lease. If Lessor does not require such removal, any and all said improvements, alterations or additions shall immediately become the property of Lessor upon the expiration or termination of this Lease.

18. Signs and Sidewalk Installations. Lessee shall not construct or maintain, or permit to be constructed or maintained, any sign or billboard on the roof of the building or outside wall located on the Premises, nor paint, nor hang, nor permit or authorize others to paint or hang, any sign on the outside walls thereof, unless written permission to do so is first obtained from the Lessor.

19. Default and Re-entry. If any default shall be made by Lessee in the payment punctually when due of any rent or other moneys due hereunder Lessor shall have the right to pursue any remedy now or hereafter available to Lessor under the laws or judicial decisions of the State of California.

20. Removal of Property. Omitted.

21. Remedies of Lessor. Omitted.

22. Assignment and Subletting.

a. Lessee shall not, and shall not have the power to, assign or mortgage this Lease or sublet any part or the whole of the Premises by operation of law or otherwise, without the prior written consent of Lessor in each instance, which consent Lessor may grant or withhold in its sole and absolute discretion.

23. Heirs and Representatives Included. It is understood and agreed between the parties hereto that the covenants, conditions and agreements in this Lease shall be binding upon the parties hereto and upon their respective heirs, legatees, legal representatives, successors and assigns, except as hereinbefore otherwise expressly provided.

24. Uses Prohibited, Municipal Requirements. The Lessee shall, at Lessee's sole cost and expense, comply with all of the requirements of all county, municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the use of the Premises. The judgment of any court of competent jurisdiction, or the admission of Lessee in any action or proceeding against the Lessee, whether the Lessor be a party thereto or not, that the Lessee has violated any such ordinance or statute in the use of the Premises, shall be conclusive of that fact as between the Lessor and the Lessee. Lessee shall not engage in or permit upon the Premises any public nuisance or unlawful conduct. The commencement or pendency in any state or federal court of any abatement proceedings affecting the use of the Premises shall, at the option of the Lessor, be deemed to be a breach of this Lease.

25. Liability for Damage by Fire. Lessor shall not be liable to Lessee for any loss or damage occurring to the Premises or any property therein situated or thereto attached by reason of any fire, or any damage defined under the extended coverage clauses of insurance, no matter

how caused, nor shall any insurer of Lessee have any right of action by reason of any fire or other damage to the property referred to in this paragraph, and Lessee hereby releases Lessor from all claims for any such liability, loss or damage, except to the extent due to the negligence or intentional acts or intentional omissions of the Lessor.

26. Insurance, Lessor to be Held Harmless. Lessee, as a material part of the consideration to be rendered to the Lessor, shall hold the Lessor exempt and harmless from any claim for damage by reason of injury to any person or property (including but not limited to waste disposal and contamination), while upon or in any way connected with the Premises used by the customers and invitees of the Lessee except due to the negligence or intentional act of Lessor, its employees, agents or representatives.

27. Utilities. Lessee shall be solely responsible for and promptly pay all charges in excess of \$100 per month for heat, water, gas, electricity, sewer, telephone or any other utility used or consumed in or a part of Premises. In the event such charges in excess of \$100 per month shall not be paid when due, Lessor shall have the right but shall have no obligation to pay same, which amount so paid is hereby declared to be additional rent and shall be due and payable with the next installment of rent hereunder.

28. Inspection by Lessor. Lessee shall permit Lessor and Lessor's agents to enter the Premises at all reasonable times to inspect the same or to maintain the building in which the Premises are situated, or to make repairs, alterations or additions to any other portion of said building, or to post notices of non-liability for alterations, additions or repairs without any rebate of any rent for any loss of occupation or quiet enjoyment of the Premises thereby occasioned.

29. Fire Insurance. Omitted.

30. Damage or Destruction. If the Premises shall be partially or totally damaged or destroyed by a casualty Lessor or Lessee may terminate this sublease.

31. Damages. Omitted.

32. Subordination. This Lease shall be subject and subordinate at all times to the lien of any mortgage or mortgages or trust deed or deeds which may now exist upon or which may be placed upon the Premises or the property of which the Premises are a part and the Lessee covenants that it shall execute and deliver to the Lessor or to the nominee of the Lessor proper subordination agreements to this effect at any time upon the request of the Lessor and without payment being made therefor.

33. Non-Waiver of Breach. The failure or omission of said Lessor to terminate this Lease, for any violation of any of its terms, conditions or covenants shall in no way be deemed to be a consent by the Lessor to such violation, and shall in no way bar, stop or prevent said Lessor from termination of this Lease thereafter, either for such or for any subsequent violation of any such term, condition or covenant. The acceptance of rent shall not be construed to be a waiver of any breach of any term, covenant or condition of this Lease.

34. Personal Taxes, Assessments, Etc. Lessee shall pay, if applicable, before delinquency any and all taxes, assessments, license fees and public charges levied, assessed or imposed and which become payable during the lease term upon Lessee's fixtures, furniture, equipment, appliances and personal property installed located in the Premises.

35. Condemnation. Omitted

36. Surrender of Premises. Any improvements built, constructed or placed upon the Premises by Lessee, other than movable trade fixtures, shall remain on the Premises and become the absolute property of Lessor without any cost to Lessor upon the termination of this Lease, whether by lapse of time or by forfeiture by reason of default, unless said improvements are to be removed by Lessee as set forth in Paragraph 17 above. Upon the end of the term of this Lease or sooner termination of this Lease, Lessee shall surrender to Lessor the Premises, together with all improvements as hereinabove provided, in the same condition as when received, reasonable wear and use thereof excepted.

37. Rental Payments. The rental hereby reserved shall be paid to Bartholomew Associates, Post Office Box 963, Elk Grove, California 95759, or at such other address as she may designate from time to time by written notice to Lessee.

38. Law for Construction. This Lease and all the terms and conditions thereof shall be construed according to the laws of the State of California.

39. Trash Management Requirements. Omitted.

40. Effect of Lessor's Conveyance. If, during the term of this Lease, Lessor shall sell its interest in the building in which the Premises are located, then from and after the effective date of the sale, Lessor shall be released and discharged from any and all obligations and responsibilities under this Lease except those already accrued, to the fullest extent permitted by law.

41. Conditional Limitations. Each term and each provision of this Lease performable by Lessee shall be construed to be both a covenant and a condition.

42. Miscellaneous.

a. Whenever the singular number is used in this Lease and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and the work "person" shall include corporation, partnership, trust, firm or association.

b. The marginal headings or titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part of this Lease.

c. Time is of the essence of each term and provision of this lease.

43. Security. It is further covenanted and agreed by said Lessee that nothing herein contained and no security or guarantee which may now or hereafter be furnished said Lessor for the payment of the rent herein reserved or for the performance by said Lessee of the other terms or covenants of this lease, shall in any way be a bar or defense to any actions in unlawful detainer, or for the recovery of said Premises, or in any action which said Lessor may at any time commence for breach of any of the terms or covenants of this Lease.

44. Service of Notice. The service of any and all notices of any nature and description given by said Lessor, when given to said Lessee in the manner now prescribed by the provisions of Section 1162 of the Code of Civil Procedure of the State of California, or else when mailed to said Lessee addressed to said Lessee to the Premises, shall be deemed to be and constitute full and complete notice to said Lessee and shall constitute full compliance with any of the provisions of this Lease or of the law of the State of California requiring personal service of notice upon said Lessee and shall constitute notice to said Lessee for any purpose whatsoever.

45. Breach of Conditions. Each and every covenant and term hereof to be kept and performed by the Lessee is expressly made a condition, upon breach whereof said Lessor may terminate this Lease and exercise all rights of entry and re-entry upon the Premises as provided in Paragraph 19 above.

46. Attornment. Lessee shall, in the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by the Lessor covering the Premises, and at the option of the purchaser, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the Lessor under this Lease.

47. Certificates. Lessee shall, upon not less than twenty (20) days' written notice from Lessor, execute promptly such instruments or certificates to carry out the intent of Paragraphs 32 and 46 above. In addition, Lessee shall, at any time upon not less than twenty (20) days' prior written notice from Lessor, execute, acknowledge and deliver to Lessor a statement in writing (i) certifying that this Lease is unmodified and in full force and effect, or if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect, (ii) certifying the dates to which the rent and other charges have been paid, (iii) acknowledging that there are not to the Lessee's knowledge, any uncured defaults on the part of the Lessor hereunder, or any offsets or damages claimed against Lessor or specifying such defaults, damages or offsets if any are claimed, and (iv) that Lessee has accepted the Premises. Any such statement may be conclusively relied upon by any prospective purchaser, assignee, sublessee, or encumbrancer of the interest of either Lessor or Lessee in and to the Premises. Lessee's failure to timely execute and deliver the statement shall be deemed to make conclusive that the statements set forth above and the dates and rent information supplied by Lessor are true and correct without exception.

48. Venue. Any action to enforce any rights of a party under this Lease or connected in any way with this Lease or for declaratory relief under this Lease shall be brought in Sacramento County, California.

49 Holding Over. Omitted.

50 Commissions. Lessee shall pay and hold Lessor harmless from any real estate broker's fee or commission or similar charge for real estate services in connection with entering into this Lease. Lessor has made no agreement with any real estate broker to pay any such fee or commission in connection with this Lease.

51 Joint and Several Liability. Each of the persons comprising Lessee shall be jointly and severally liable under this Lease.

52 Modifications. This instrument contains all the agreements and conditions made between the parties to this Lease and may not be modified orally or in any manner other than by an agreement in writing signed by all parties to this Lease or their respective successors in interest.

ADDITIONAL PROVISIONS ARE SET FORTH IN ADDENDA 1 THROUGH 4 ATTACHED HERETO.

Dated: May 1, 2000

LESSEE:

CITY OF ELK GROVE

By: 

LESSOR:

BARTHOLOMEW ASSOCIATES

By: 

Wayne A. Bartholomew
General Partner

ADDENDUM NO. 1

HAZARDOUS SUBSTANCES

a The term "Hazardous Substances," as used in this Lease, shall include, without limitation, flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls ("PCBs"), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any law or regulation now or hereafter enacted or promulgated by any federal, state or local governmental authority.

b Lessee shall not cause or permit to occur:

(1) Any violation of any federal, state, or local law, ordinance, or regulation now or hereafter enacted, related to environmental conditions on, under or about the Premises, or arising from Lessee's use or occupancy of the Premises, including, but not limited to, soil and ground water conditions; or

(2) The use, generation, release, manufacture, refining, production, processing, storage, or disposal of any Hazardous Substance on, under or about the Premises, or the transportation to or from the Premises of any Hazardous Substance, except for those Hazardous Substances that may be generally found in the equipment, fixtures, supplies, machinery or furniture incident to the permitted uses and operations of Lessee, in quantities generally associated with such business.

c Lessee shall, at Lessee's own expense, comply with all laws regulating the use, generation, storage, transportation, or disposal of Hazardous Substances ("Laws").

Lessee shall, at Lessee's own expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities (the "Authorities") under the Laws.

Should any Authority or any third party demand that a cleanup plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge or other release of Hazardous Substances that occurs during the term of this Lease, at or from the Premises, or which arises at any time from Lessee's use or occupancy of the Premises, then Lessee shall, at Lessee's own expense, prepare and submit the required plans and all related bonds and other financial assurances; and Lessee shall carry out all such cleanup plans.

Lessee shall immediately notify Lessor of the presence of any Hazardous Substance on or about the Premises known to Lessee (except those excluded in Paragraph b(2) above) and of any spills, discharges or other releases of such Hazardous Substances which are in violation of any Federal, State or local law. Lessee shall promptly submit to Lessor copies of all correspondence, plans, notices and other documents relating to the cleanup and remediation of Hazardous Substances on the Premises.

Lessee shall promptly provide all information regarding the use, generation, storage, transportation, or disposal of Hazardous Substances that is requested by Lessor. If Lessee fails to fulfill any duty imposed under this Paragraph within a reasonable time, Lessor may do so; and in such case, Lessee shall cooperate with Lessor in order to prepare all documents Lessor deems necessary or appropriate to determine the applicability of the Laws to the Premises and Lessee's use thereof and for compliance therewith, and Lessee shall execute all documents promptly upon Lessor's request. No such action by Lessor and no attempt made by Lessor to mitigate damages under any Law shall constitute a waiver of any of Lessee's obligations under this Paragraph c.

Lessee's obligations and liabilities under this Paragraph c shall survive the termination of this Lease.

d Lessee shall indemnify, defend, and hold harmless Lessor, the manager of the property, and their respective officers, directors, beneficiaries, shareholders, partners, agents and employees from all fines, suits, procedures, claims, and actions of every kind, and all costs associated therewith (including attorney fees, consultant fees and administrative procedural costs) arising out of or in any way connected with (i) any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the term of this Lease, at or from the Premises, or which arises at any time from Lessee's use or occupancy of the Premises, or from Lessee's failure to provide all information, make all submissions, and take all steps required by all Authorities under the Laws and all other environmental laws or (ii) the cost of any required or necessary investigation, remediation, removal, repair, cleanup or detoxification and the preparation of required plans as a result of the presence or use, generation, storage, release, threatened release or disposal of Hazardous Substances by Lessee during the term of this Lease at or from the Premises or which arises at any time from Lessee's use or occupancy of the Premises, including costs by a federal, state or local government agency related to a facility or site to which materials attributable to or connected with the Premises are removed to, disposed of, treated or stored.

Lessee's obligations and liabilities under this Paragraph d shall survive the termination of this Lease.

e. Other than as disclosed in this Lease, to the best of Lessor's knowledge, there are no Hazardous Substances on, under or about the Premises. Lessee shall not be liable to Lessor for any Hazardous Substances, or conditions caused by Hazardous Substances, which existed prior to the commencement of this Lease, or which were caused by acts or omissions prior to the commencement of this Lease, for all of which the Lessor shall hold harmless, indemnify and defend the Lessee.

9 C


ADDENDUM NO. 3

DESCRIPTION OF PREMISES

Beginning at 3/4 inch tee-bar tagged L.S. 2457, located North a distance of 40.00 feet from the township line common to Townships 6 and 7 North, Range 6 East, Mount Diablo Meridian, said tee-bar being West a distance of 829 feet and North a distance of 7.10 feet from the Southwest corner of Lot 8 of J.H. Kerr's Tract as shown upon the official "Map of Elk Grove Station" filed for record in Book 1 of Maps, Map No. 30, Sacramento County Records, thence, from said point of beginning, North a distance of 135.50 feet; thence East a distance of 80.00 feet; thence South a distance of 135.50 feet; thence West a distance of 80.00 feet to the point of beginning.